



Tobacco Indemnification and Community Revitalization Commission

Strategic Plan

Adopted May 24, 2012

Mission

The Tobacco Indemnification and Community Revitalization Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund including using moneys in the Fund to (i) provide payments to tobacco farmers as compensation for the adverse economic effects resulting from loss of investment in specialized tobacco equipment and barns and lost tobacco production opportunities associated with a decline in quota; and (ii) revitalize tobacco-dependent communities.

Section 3.2-3101, Code of Virginia

Vision

Communities and citizens throughout the Southside and Southwest regions of Virginia continue to experience significant economic distress as a direct consequence of historical dependence on tobacco production, textile and furniture manufacturing and coal production. In today's environment, where markets are largely global and employment is increasingly knowledge-based, the Commission seeks to accelerate regional transformation so that all residents enjoy expansive opportunities for education and employment, while communities benefit from economic diversification and enhanced prosperity.

The Commission recognizes that a culture of self-reliance and the strong work ethic characteristic of the labor force combine with long-standing traditions associated with family and community values to provide the cornerstone upon which positive change is possible. The Commission seeks to harness these collective strengths to provide a more diverse and sustainable array of goods and services that meet global market demand.

The Commission further recognizes that investments should reflect and directly advance local, regional and state priorities as established by elected and appointed officials, representatives from institutions of higher education, and other community leaders. To maximize the positive impacts of its investments, the Commission acknowledges the critical importance of collaboration with a broad array of financial

partners including public and private non-profit organizations, the educational community, local, state and federal governmental entities and the private sector.

The Commission will be supported by a small professional staff to include regional representatives for both the Southern and Southwestern regions. Staff will provide annual assessments of investment outcomes based upon measures adopted by the Commission in the strategic plan.

The Commission shall not adopt or amend any annual budget that provides for expenditures in excess of the sum of ten percent (10%) of the Endowment corpus (as defined by Section 3.2-3104 of the Code) plus all other income sources without a two-thirds (2/3) majority vote of the members of the Commission serving at the time.

The following sections provide the rationale, objectives, strategies, and outcome measures for each category and general funding policies.

Indemnification

Rationale

Section 3.2-3106 and 3.2-3107, *Code of Virginia*, establishes the Fund and Section 3.2-3101 requires distribution of moneys to tobacco farmers as compensation for the adverse economic effects resulting from losses associated with declines in and subsequent elimination of quota.

Objective

É Indemnification for tobacco producers and quota holders

Strategy

É Payments upon substantiation of claims in accordance with schedules established by the Commission

Outcome Measure

É Percentage of eligible claims paid in relation to eligible claims submitted

Goal

É 100% of eligible claims paid not later than December 31, 2013.

The Indemnification mission will have been fully accomplished in 2013.

Building Human Infrastructure

Rationale

Education and training are prerequisites for full citizen participation in the highly competitive global economy and in a networked society. In order to advance productivity, innovation and entrepreneurship, knowledge workers are vital to the process of transforming the Southern and Southwestern regions.

Objectives

É Enhance workforce readiness through support for proven and/or innovative GED programs

- É Maintain scholarship programs that enable Commission service area citizens to realize educational goals, to include non-credit learning required to meet workforce demands by businesses
- É Encourage scholarship recipients to establish careers in the Commission service area
- É Establish programs that integrate technology across educational content areas
- É Focus Commission resources in relation to ògapsö between education supply and occupational demand with emphasis on post-secondary STEM-H*.

Strategies

- Education and Special Projects Committees
- É Establish and support quality private sector industry-led workforce training/re-training programs
- É Technology enriched learning and research öcenters of excellenceö
- É GED initiatives
- É Scholarships, internships and mentoring necessary for post-secondary academic readiness, to include non-credit learning required to meet workforce demands by businesses
- É Establish and support programs for the professional development of instructorsø credentials in critical vocations and in the use of technology

Outcome Measure

- É Number of students successfully completing GED, STEM-H* academic certification and degree programs

Goal

- É 750 new STEM-H enrollees annually
- É 1,000 credentials awarded annually

* STEM-H: science, technology, engineering, mathematics and health

Building Conditions for Innovation

Rationale.

Innovation is itself an engine of economic growth that is essential for revitalization. Encouraging entrepreneurial activity requires the establishment of conditions that support risk-taking and creative approaches to economic revitalization. Emerging industry clusters that offer significant prospects for higher wage and skill employment and private sector capital investment should be targeted. Key ingredients in establishing conditions for innovation include: 1) establishing incentives that increase experimentation and applied research activity; (2) supporting early stage business formation; and, 3) allocating Commission resources in situations where risk effectively precludes private sector investment. In addition, the Commission must remain vigilant to satisfy the interests of larger, developed businesses that complement and enhance innovative developments. The Commission also recognizes healthcare as an element of the regional economy as both a creator of skilled employment opportunities and a provider of services for improving the health and productivity of the regional workforce.

Objectives

- Pursuant to Section 3.2-3108 (3), Code of Virginia, expand access to health care including support for scientific research performed at one of the Commonwealth's National Cancer Institute-designated research institutes
- É Utilize Research and Development Centers to encourage regional exchange of ideas and projects that capitalize upon competitive advantages, and showcase local initiatives and available resources
- É Support centers for education and research
- É Encourage technology-assisted community activities and entrepreneurial efforts consistent with the objectives of local leadership
- É Support value-added agricultural research and implementation

Strategies

- É Tobacco Region Opportunity Fund and Research and Development, Agribusiness and Special Projects Committees
- É New regional marketing initiatives
- É Feasibility assessments linked to potential Commission sponsored entrepreneurial development projects
- É Entrepreneurial development programs, with emphasis on technology-assisted business development focused on exports of goods and services
- É Existing industry initiatives to support business innovation and expansion or workforce readiness
- É Support innovative business activities
- É Dedicated financial resources for agribusiness

Outcome Measure

- É Percentage of the goal realized during the current funding cycle

Goal

- É \$200 million of private sector capital investment committed annually
- É 2,000 health related citizen beneficiaries annually

Building Regional Development Capacity

Rationale

Southern and Southwestern Virginia each have unique revitalization needs that reflect factors such as topography and differing political and social economies. One region or locale may face distinct challenges not present elsewhere that may require particular solutions not deemed appropriate for the entire Commission service area. Establishing conditions in which a revitalized economy develops requires ensuring that fundamental building blocks are present and support the underlying strengths of the regions.

Objectives

- É Increase water, wastewater, broadband and other basic infrastructure capacity that supports new private capital investments and creation of direct jobs.
- É Increase the inventory of fully served industrial sites (emphasis on mega-sites)

- É Support workforce development center construction where there is a needs assessment based on business requirements and the participation of educational partners
- É Expand broadband connectivity for business and education sites, and assist cost-effective last mile solutions for residents
- É Encourage regional cooperation projects where revenues are shared by multiple localities
- Strategies
- É Southern and Southwestern Economic Development Committees and Special Projects Committee
- É TROF investments directly linked to direct employment and taxable capital investment
- Outcome Measure
- É Percentage of goal attained
- Goal
- É 2,000 direct new or retained private sector jobs within three years after the current funding cycle

General Funding Policies

- É Commission funds should not be used to supplant other state or federal funds for which an applicant is eligible, and applicants for off-site utility infrastructure improvements are required at point of application to demonstrate that financing is not available from non-TICRC sources
- É Commission funds should not be used to finance endowments.
- É Commission funds should not be used for operations costs
- É Commission funds should be invested in projects that generate substantial new economic activity in a region, and should not be used for projects that indirectly affect economic revitalization (e.g. community, childcare centers, 4H, YMCA, YWCA or recreation initiatives, airports, local arts and cultural activities, historic preservation, housing and retail development) unless it is demonstrated that the investment will produce economic impacts from outside the Commission service area
- É Commission funds should not be used for regularly recurring local responsibilities (e.g. comprehensive plans, K-12 school funding).
- É Commission funds should not be used for project administration, indirect project costs or for activities initiated prior to grant approval
- É Priority should be given to projects that leverage significant other financing.
- É Priority should be given to projects that are regional (i.e. governance, direct financial participation or service area).
- É Priority should be given to projects that can be replicated throughout the Commission service area.
- É Priority should be given to projects demonstrating that all financing necessary to complete the project is available.
- É Applicants should clearly describe the operational sustainability of the activity for which Commission financing is being requested.

- É Applicants should describe and be prepared to measure the anticipated ROI (e.g. private sector capital investment, employment and wage outcomes, tax benefits) in relation to proposed Commission investments.
- É Applications should be submitted in accordance with guidelines and deadlines established by the Commission, and should be reviewed by designated program staff